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Good Governance in Sheep's Clothing: Implementing the Action Plan for Regional Facilitation of the Livestock Trade in West Africa's Central Corridor

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Introduction

Past efforts at promoting regional economic integration in West Africa have generally been disappointing. However, in recent years the proponents of greater cooperation in West Africa's regional markets for agricultural products, including livestock, have undertaken progressive actions which are increasing the efficiency and lowering the costs of cross-border transactions in the so-called "central corridor", comprising Mali, Burkina Faso and Côte d'Ivoire. In an increasingly liberal political environment, businessmen, professional groups and other private citizens are discovering new ways of working with governments and regional organizations to influence public policy and support implementation of reforms.

This case study describes a pilot initiative, the Action Plan for Regional Facilitation of the Livestock Trade in the Central Corridor, and analyzes how donors have supported the implementation of reforms aimed at reducing transactions costs in three countries. The U.S. Agency for International Development (USAID) has provided assistance in implementing these reforms through the Implementing Policy Change Project (IPC). Beginning with a discussion of the analytical perspectives and research that led to development of the Action Plan, the paper then examines the issue of institutional complexity in promoting systemic change, the techniques used to build broad consensus on specific reform issues, and how these techniques have been used to defuse a series of political and economic crises affecting the conduct of the livestock trade in a regional setting. The case study concludes with a review of lessons learned about how strategic management techniques can be used to guide the reform process in a multinational context.

A principal challenge to the IPC technical assistance team throughout the life of this initiative has been the perception held by governments in the central corridor that the activity is about livestock, rather than about the process by which policy decisions are made and implemented. Indeed, a constant refrain voiced by the technical assistance team has been that the Action Plan is, in fact, an initiative to promote processes of improved governance "disguised in sheep's clothing."

This case study and the process that it describes is complicated by the fact that it operates simultaneously at several political levels. The first of these is an effort to democratize policymaking at the national level by brokering divergent interests to create consensus on policy objectives and the strategies for achieving them. The second level of activity is the international one, in which sovereign authorities are assisted in identifying the complementarity of their interests and developing mutually-beneficial policies.

A central theme and underlying assumption of the Action Plan initiative has been that systemic change in complex political or institutional environments can be facilitated by strategically-chosen reform "packages" of complementary and mutually reinforcing actions. Although the constellation of individual reforms in the package may appear to be heterogeneous in nature, taken together they constitute a foundation for building broad consensus among a variety of stakeholders who have not previously seen themselves as a natural or unified constituency. The challenge to reformers in such settings is, thus, building shared vision, brokering consensus on a course of action, and counteracting opportunism by stakeholders when it threatens to undermine the integrity of the reform.

While specific reforms constitute the objectives of the Action Plan initiative, the goal of IPC technical assistance is establishment of a process for sustaining support for progressive reforms and for providing a reliable feedback mechanism to policy-makers for the monitoring and evaluation of the effects of reform.

Analytical Perspectives

IPC support for the Livestock Action Plan is based on two separate perspectives. The first, informed by the New Institutional Economics, has helped to define the technical agenda of the activity (the Action Plan) by helping to identify those institutions, mandates and behaviors which either impede or promote economic efficiency[1]. The second is an orientation to the process dimensions of policy change and the introduction of a set of associated tools and techniques to support Action Plan implementation.

The economic goal of the Action Plan is the reduction of superfluous costs and inefficiencies that increase the cost of livestock and meat to consumers in West Africa's coastal cities. Higher costs reduce demand for Sahelian livestock, and erode profit margins for Sahelian livestock producers. The reform agenda proposed by the Action Plan was derived from an intensive study of the cost of the series of transactions that typically occur as livestock are traded between Sahelian and coastal markets.[2] Aside from livestock purchasing transactions, a wide range of other costs were considered: official licenses, taxes and levies; transport costs (including those associated with the trekking of animals, trucking and rail transport); fees for services (including marketing intermediaries), and costs incurred as the result of bribery of, or extortion by, government officials and security forces.

Existing barriers to regional integration in livestock trade along the central corridor are heterogeneous in nature. Broadly speaking they stem from: (a) geographical and infrastructural impediments to efficient trade and transport, (b) complex or costly policies and procedures that encourage evasion, non-compliance, or inefficient administration, and (c) inefficient management of public resources and infrastructure.

Two additional categories of barrier reflect complex and deep-rooted problems of societal equity and governance. In numerous instances constraints have been identified that appear to result from official efforts to bolster or sustain the power of privileged economic actors. These appear in the form of official or quasi-official requirements to utilize the services of a particular class of intermediaries (e.g. customs brokers or licensees). The economic viability of these services generally resides solely in the official requirement--in the form of coercion by government officials--that they be used. A second, more critical impediment is tolerance of rent-seeking by government agents, both on the part of national political leaders and by the general public, which has traditionally perceived itself to be powerless to effect change. Corruption not only constitutes an

1 For several case studies and discussions which informed this activity see Ostrom, Vincent, David Feeny and Hartmut Picht (Editors). 1988. *Rethinking Institutional Analysis and Development: Issues, Alternatives, and Choices*. San Francisco. International Center for Economic Growth.

2 The marketing chain typically includes: collection markets, at which producers sell their animals; redistribution or regroupement markets, where livestock are resold for shipment to major urban markets; and terminal markets, where livestock are sold to butchers, slaughtered and their meat sold at retail.

economic barrier to trade. When it is allowed to flourish, it erodes public confidence in the rule of law and generates a proliferation of dysfunctions that become engrained in political and institutional culture.

In recommending options for intervention and assessing their prospective impacts, it is instructive to keep in mind the ingeniousness with which economic actors (including both private individuals and official agents) have responded to change in the past. Economic opportunism quickly emerges whenever policy and regulatory changes occur. Indeed, change is itself a vector of opportunism that can yield negative as well as positive outcomes. Although unanticipated outcomes are often symptomatic of inadequate design or implementation in public policy, occasionally they reflect spontaneous efforts to advance the reform agenda.

Klitgaard's work on controlling corruption provides an analytical perspective that is useful in attempting to identify probable responses to reform in a variety of institutional and technical domains.[3] He underlines the importance of distinguishing between "ostensible" and "strategic" issues in the selection of reform interventions. "Ostensible" issues pertain to the selection of reforms that are desirable for their nominal outcomes (e.g., cost reductions resulting from successful implementation of reforms). "Strategic" issues might include the assessment of probable costs and benefits of enacting a particular reform, as measured against the costs and foregone benefits of choosing not to intervene. For example, where the probable costs of implementing an anti-corruption or other reform exceed those of not doing so, there is "optimal" corruption, and the most cost-effective solution might be inaction. Additional strategic issues involve the identification of economic and political actors who benefit or lose as a the result of a particular behavior, and assessments of their probable responses to reform.

Inclusiveness as an Organizing Principle

Stakeholder analysis provides not only a useful framework for identifying and assessing the strategic elements of any hypothetical reform, but also an initial orientation to the kinds of operational interventions that would be appropriate for managing the reform process. When policy implementation strategies take into account the roles and likely reactions of stakeholders to change, it is possible to employ those responses creatively. For instance, one can leverage support of pro-reform constituencies or to identify necessary compromises of phasing strategies as a countervailing force to opposition.

The operational goal of the Action Plan was creation of an ongoing process of structured interactions involving key stakeholders in the reform agenda: those who make policy reform decisions, those who must implement them, and those whose interests are affected by the substance and outcomes of the reform process. *Strategic management techniques utilized in facilitating Action Plan activities are grounded in the assumption that stakeholders act on the basis of their own interests and that the field of action in the reform process is not static*. Because stakeholder interests shift over time in response to evolving economic and political circumstances, the view of stakeholder inclusiveness must be elastic, allowing a variety of constituents to opt in or out of dialogue at various points in time.

In most respects this perspective on the reform process contradicts political tradition in the nations of West Africa, which have only begun to move away from rigid and exclusive statist models of governance in recent years. A rich and incisive literature on African political economy shares the common observation that statist governance in Africa (as elsewhere) too often served as a tool for creating and sustaining economic elites. Formal policy-making activity was often restricted to the promulgation of decrees with little attention to implementation or the outcomes of policy reform.[4]

Hence, a key challenge to Action Plan implementation has been traditional political culture, which raises numerous obstacles to frank policy dialogue. The hierarchical structure of government and parastatal organizations provides disincentives and sanctions for officials below the ministerial level who seek to propose innovative solutions to administrative or policy dilemmas. Innovation is stymied when technical personnel assigned to an

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3 Robert Klitgaard. 1988. *Controlling Corruption*. Berkeley. University of California Press.

4 See, for instance, Bates, Robert H (Editor). 1988. *Toward a Political Economy of Development: A Rational Choice Perspective*. Berkely. University of California Press and Bates, Robert H. and Anne O. Krueger (Editors). 1993. *Political & Economic Interactions in Economic Policy Reform*. Cambridge. Blackwell.

initiative are given limited command or managerial authority within their own organizations. Institutional sensitivities may also prevent frank presentation of facts or discussion of solutions, particularly in settings where agency or institutional representatives are loathe to admit that they are faced with intractable problems that the reform process seeks to resolve. Too often, they respond to such risk by presenting views that fly in the face of reality, painting unjustifiably positive portraits of the viability or integrity of the organizations they represent.

The Action Plan advances the view that transparency and sound policy-making decisions are derived from dialogue in a wide variety of civil fora and attentiveness to the nuances of policy outcomes. For government, the effective formulation of policy requires objective diagnosis of problems and frank assessments of risks inherent in change. When stakeholders "inside" the system are unable to muster objectivity, it is possible for advisors from outside the political system to perform such analysis and broker agreement on policy analysis. Effective implementation of policy at a minimum requires education of those official agents who have responsibility for enforcing or adopting reforms, and of those constituencies affected by reform. For actors outside government, compliance with policy can be linked directly to the degree that they perceive that policy-makers have taken their interests into consideration.

IPC technical assistance to Action Plan implementation followed from the assumption that a neutral outsider can play a critical role in facilitating dialogue in pre-reform deliberations and monitoring and evaluation of reform outcomes, particularly when the external third party is perceived by all as having no political or economic stake in the outcome of reforms. The success of the Livestock Action Plan suggests that this is a constructive, appropriate and fruitful role for donors to take.

The Policy Environment and Key

<u>Implementation Issues</u>

The Economic Role of Livestock Production and Trade

The importance of livestock to Sahelian economies cannot be underestimated. The marginal productivity of this semi-arid zone creates a fragile base for rainfed agriculture. In the central and northern provinces of Sahelian nations traditional strategies for livestock production have been based upon nomadic or transhumant pastoralism, i.e. systematic seasonal movements of herds that follow periodic availability of water and pasture. In higher rainfall zones livestock production is more intensive and integrated with semi-intensive cropping systems.

The Sahelian countries of Mali and Burkina Faso (along with Niger and Chad) have been important suppliers of live animals to coastal West African markets for decades. Droughts in the early 1970s and in 1983-84 reduced the regional livestock population and the supply of export grade animals to the coast during subsequent years. The growing human population of Sahelian countries, particularly in urban areas, expanded domestic demand, which reduced the availability of export grade stock for shipment to coastal markets.

At the same time international agricultural commodity markets became more globally integrated during the 1980s, increasing competition between Sahelian exporters and European Community (EC) suppliers of chilled and frozen meat to coastal West African markets. The European Union's Common Agricultural Policy enhanced competitive advantages for meat, offal and poultry exports from the EC, principally through export subsidies. The Common Agricultural Policy also provided incentives for major reduction in European dairy production and herd size, beginning in 1984. The ensuing culling of surplus dairy cattle expanded EC beef supply, which was disposed of in part through chilled and frozen beef exports to non-EC markets, including coastal West Africa.

Combined with overvaluation of the CFA franc, European dumping eroded the market share of Sahelian livestock suppliers to their principal markets throughout the 1980s. At the same time, economic contraction and declining per capita income in virtually all countries of the region continued to erode the competitiveness of Sahelian livestock. Maintenance of public communications and transport infrastructure fell behind. Arrears in civil service salary payments and the inability of governments to adjust salaries in line with inflation provided a powerful stimulus for governments in the region to tolerate rent-seeking by public officials, often in the form of extortion of the general public or refusal to perform official duties unless bribes were paid. Government budget shortfalls stimulated new forms of taxation in the form of professional licensing, taxes on annual business turnover, obligatory fees for real and fictive services, and new national, provincial and municipal taxes.

Organization of Livestock Marketing

Private entrepreneurs operating through traditional marketing systems carry out the overwhelming majority of domestic and international livestock transaction in the Sahel and coastal countries of West Africa. Government efforts to modernize the livestock subsector have failed, as poorly managed parastatals collapsed due to underfunded and overly ambitious efforts to integrate production, marketing, and processing. The majority of livestock traders in the long-distance trade have regional, ethnic or kinship ties to livestock production zones.

Livestock exports in the central corridor are concentrated on large urban centers in Côte d'Ivoire. Abidjan and Bouaké typically account for more than 60 percent of recorded cattle imports and more than 75 percent of small imports in an average year. More than 80 percent of cattle imports and more than 90 percent of small ruminant imports are consumed by Côte d'Ivoire's five largest cities each year.

Participants in the regional livestock marketing system include occasional traders, Sahelian and coastally-based long-distance traders, and short-distance traders. Although brokers are present at various stages of the marketing chain, they do not play a key role in marketing. Intermediaries--free agents who bring together buyers and sellers for a fee-- are both pervasive and critical to traditional marketing systems. Serving as facilitators of the legitimacy of transactions, they sometimes also act as guarantors of credit or agents of sellers residing far from terminal markets. Terminal transactions throughout the region are usually sales to butchers. Moslems dominate the trade, although a new generation of non-Moslem "modern butchers" are increasingly present in large urban markets. Although butchers are well-organized in formal and informal trade associations, no single ethnic group predominates among them.

Public officials often allege that the behavior of butchers is detrimental to the economy of terminal markets. Contrary to charges of collusive or oligopsonistic behavior, evidence suggests that hyper-competition, characterized by unregulated proliferation of butcher activity, leads to widespread low returns and failure to butchers and livestock traders alike. This in turn has led to high rates of credit sales and defaults in the largest terminal markets, thereby increasing the risks in the Sahelian-coastal trade and attendant business failures. Government intervention in terminal and retail markets is generally limited to the regulation of health conditions and retail pricing. Although butchers in Abidjan are required to be licensed, widespread abuse of the licensing system has led to hypercompetition among butchers.

The Cost Economy of the Livestock Trade

In 1989 the Sahel/West Africa Regional Programs Office of USAID's Africa Bureau funded a study of barriers to regional integration of the Sahelian livestock trade with coastal nations.[5] The team examined the chain of transactions that occur as livestock are moved from Sahelian production zones to coastal markets and sought to identify ways in which the trade could be rendered more efficient. The study's findings demonstrated numerous opportunities for lowering the costs of cross-border livestock trade. Creation of a liberalized, better-integrated regional market, in terms of the elimination of regulatory and other barriers was identified as a reasonable and obtainable goal. However, a wide variety of policy and institutional reforms were identified as necessary steps in this process.

In 1991 the World Bank's Sahel Country Operations Department and USAID jointly financed the formulation of an action plan to implement the recommendations of the earlier study. A field team conducted further data gathering and analysis. According to the team's findings (based on a sample of several hundred interviews and excluding livestock acquisition costs in production zones), median marketing costs were broken down as follows: transport and handling, 60 percent; official costs (veterinary, export formalities, municipal taxes, etc.), 21 percent; informal costs, seven percent; quasi-official costs, three percent; commissions, four percent; cost of capital, two percent; and livestock maintenance, three percent. Given the relative importance of transport costs, efforts to reduce these

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5 John Holtzman and Nicolas Kulibaba. Livestock Marketing and Trade in the Central Corridor of West Africa. Washington, DC: U.S. Agency for International Development, Africa Bureau, Agricultural Marketing Improvement Strategies Project, 1992. An earlier draft of this study, by the same authors, Livestock Marketing and Trade in the Mali/Burkina/Côte d'Ivoire Corridor, was widely circulated and cited beginning in 1990.

were deemed to have proportionately the greatest payoff.

For the purpose of crafting a program of action, the team categorized the principal barriers to regional integration on the basis of: (a) informational and infrastructural impediments to efficient trade; (b) regulatory and administrative encumbrances on private economic activity, and; (c) problems of governance stemming from rent-seeking and the abuse of administrative and police powers. The series of actions and reforms proposed by the team were estimated to have net potential outcome of reducing marketing costs by 13-19 percent and to increase average savings (i.e., returns to traders or economies that might be passed on to consumers) by more than 50 percent. The final product of the study, Liberalizing Regional Markets for Livestock Products: An Action Plan for the Mali, Burkina and Côte d'Ivoire Corridor, was subsequently distributed to relevant governments and became the subject of numerous multilateral meetings of regional organizations.

At the time that the Action Plan was drafted, a number of the transaction costs identified in the plan were already being reduced progressively in the context of World Bank structural adjustment programs, such as the elimination of export taxes and the simplification of export formalities. The Action Plan team, however, identified further options for the reduction of official costs through the elimination of levies for which no or limited services were provided, and reform of veterinary services. Certain quasi-official intermediary costs, such as export brokerage, mandatory payments to Chambers of Commerce, and other fees were cited as being redundant, unnecessary or disproportionate to their intended purpose. The scope for reducing informal and unofficial costs was identified as being much greater. These costs included "voluntary" levies by trader and merchant organizations as well as various informal payments to civil servants and uniformed services. Exhibit 1 summarizes the strategy formulated by the World Bank/USAID Action Plan.

Implementing the Action Plan for Regional Integration of Livestock Trade

Reaching Agreement on the Action Plan

In March 1992, at a conference jointly-sponsored by the *Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel* (CILSS)[6] and the *Communauté Economique du Bétail et de la Viande* (CEBV)[7], representatives of twelve nations in the Sahel and coastal West Africa adopted a modified version of the World Bank/USAID Action Plan. Henceforth known as the Nouakchott Action Plan, the 1992 document incorporated most of the earlier recommendations, in addition to a number of measures aimed at enhancing the quality of information and services available to private economic actors in the livestock export sector of the Sahelian nations.[8] *The greater significance of the Nouakchott Action Plan was that it represented an approach to regional integration on which there is consensus and support, is not vested in a single regional institution and which is not dependent upon major infusions of donor capital or government investment*.

Although the goal of the Nouakchott meeting was agreement on a course of action to resolve longstanding problems in regional livestock commerce, the methodology for identification of solutions borrowed explicitly from the earlier USAID and World Bank studies. Country reports presented by local researchers at Nouakchott employed the same transaction-based methodology to identify cost and efficiency constraints in a wide variety of livestock trade corridors.[9] Although the *CILSS/CEBV* studies suffered from extreme resource limitations, they demonstrated that the constraints identified in Mali, Burkina Faso and Côte d'Ivoire were prevalent throughout West Africa. Hence, any successful course of action to alleviate those constraints in one geographical corridor might have value elsewhere in the region. Recognizing the somewhat experimental nature of an action plan-based approach, attendees at the Nouakchott meeting agreed that the central corridor, comprised of Mali,

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6 *Permanent Inter-state Committee for the Struggle Against Drought in the Sahel*

7 *Economic Community of Livestock and Meat*

8 The "Action Plan" referred to in all subsequent portions of this case study is the Nouakchott Action Plan, unless otherwise specified.

9 In May 1991 the authors of the earlier AID/World Bank study were invited to present their methodology to a workshop for researchers who were to be involved in the CILSS/CEBV country studies.

Burkina Faso and Côte d'Ivoire, would serve as a pilot zone for implementation of the Action Plan.

The World Bank/USAID Action Plan and the CILSS/CEBV Nouakchott Plan presented an integrated approach to reform that is built upon the convergent interests of government and the private actors who will be the ultimate beneficiaries of reform.[10] These include both large- and small-volume livestock producers and traders; private transporters; and the consumers of livestock products in each of the three target nations. Success depended upon accurately identifying and aligning the interests of those involved so as to facilitate carrying out the measures targeted in the Action Plan. IPC assistance, begun in September 1992, introduced strategic management as an approach to promoting, coordinating and implementing administrative and policy reform in each of the Action Plan countries. The technical assistance team, which includes Americans and Africans, works with national coordinating committees (comprised of government officials from a variety of agencies and private actors) in Mali and Burkina Faso, and government technical units and stakeholder groups in all three countries to develop strategies and workplans for: (a) identifying alternatives to existing policies, procedures and regulations; (b) developing consensus and support for those changes, and (c) coordinating related initiatives in each of the Action Plan countries.

To date, the initiative has been successful in three key domains:

- **Reducing the costs of cross-border livestock commerce** by (a) assisting stakeholder lobbying for the effective suppression of quasi-official transport and commercial syndicate levies in Côte d'Ivoire; (b) standardizing regional licensing fees and suppressing superfluous taxes in Burkina Faso; (c) assisting Malian policymakers to reduce the number of administrative procedures required for livestock exports; (d) facilitating the creation of a regional network for the timely exchange of market information between Sahelian production zones and coastal markets; and (e) educating livestock traders, butchers, transporters and consumers about their rights under the law, particularly with regard to extortion by civil servants and uniformed services.

- **Assisting governments to devise more efficient processes and procedures for the administration of international trade**, including (a) progressive reduction of export formalities and, eventually, the suppression of all but one export "declaration" which is presented at border crossings; (b) simplified documentation for livestock in transit; and (c) improving the quality and flow of statistical data on exports and markets between Action Plan nations and their policy-makers.

10 It should be noted that the process also involved individual and institutional stakeholders who stood to lose benefits as a result of Action Plan implementation. Their own motives for cooperating were derived from interest in preserving the *status quo.* However, as vested actors in regional livestock trade, their views and, sometimes, their cooperation were deemed necessary in any effort to reach compromise on proposed reforms.

- **Problem-solving in crises** to promote negotiated settlements of occasional policy or political decisions which disrupt the smooth functioning of cross-border trade. This has included promoting negotiation among ministers of the participating countries to eliminate trade levies which were, for a brief time, instituted following dissolution of the *Communauté Economique de l'Afrique de l'Ouest*[11] in January 1994, and the suppression of efforts by an Ivoirian company to require sole-source purchases of cargo insurance for all livestock crossing the Ivoirian border.

As the above items and Exhibit 1 indicate, progress on the initiative has moved forward concretely, with each of the nations undertaking legal and operational reforms directly related to the Action Plan and its objectives. Although progress varies significantly from country to country, at this point in time each of the Action Plan countries has incorporated Action Plan objectives and recommended reforms into their own policy agendas. Just as the reform agenda comprises a heterogeneous mix of legal, operational, institutional and informational actions, progress to date stems from initiatives undertaken by both public and private actors, individually or in concert.

Organizing the Initiative

Implementation of the Action Plan is being carried out by national committees, which combine public and private sector interests as well as stakeholder groups of traders, transporters, and livestock producers. The structure and composition of national coordinating committees (*cadres de concertation*) was decided upon at the 1992 Nouakchott conference, with each committee to include: representatives of ministries charged with oversight of livestock production and health[12], commerce and finance; representatives of the Burkina Faso and Côte d'Ivoire railways; and representatives of private

11 The *Economic Community of West Africa* was comprised exclusively of francophone nations. This organization should not be confused with larger Economic Community of West African States (ECOWAS), which is comprised of all West African nations.

12 In Mali, this involved the Ministry of Rural Development; in Burkina Faso and Côte d'Ivoire, the Ministry of Agriculture.

EXHIBIT 1

STRATEGY FORMULATION FOR COST-REDUCTION IN INTRAREGIONAL LIVESTOCK TRADE IN THE CENTRAL CORRIDOR		
Problem	**Strategic Goal**	**Strategic Objectives**
Geographic & Infrastructural Impediments to Efficient Trade	Greater efficiency of road and rail transport.	■ Rationalization and coordination of investment, maintenance, and management of regional transport infrastructure. ■ Deregulation of international trucking. ■ Alignment of national policies and schedules for the liberalization of transport tariffs.
	Improved market information.	■ Rationalization and coordination of national market information systems. ■ Timely dissemination of market information on a regional basis.
Regulatory & Administrative Barriers to Efficient Trade	Facilitation of livestock trade.	■ Simplification of procedures and reduction of incumbent costs. ■ Suppression of requirements for intermediation. ■ Suppression of all quasi-official taxes, fees-for-service, and non-official levies.
Problems of Public Administration & Governance	Elimination of rent-seeking by public officials and their agents.	■ Formulation of national strategies for improved public administration. ■ Institutionalization of national strategies for oversight and enforcement. ■ Restructuring of control services including changes in recruitment, and of incentive and penalty structures. ■ Mobilization of public support and participation.

stakeholders groups (including, but not limited to transport, livestock trader, and butchers syndicates, and non-governmental associations of livestock producers). Notably absent, in the earliest stages of Action Plan implementation were representatives of national security forces. However, representatives of the Ministry of the Interior, (whose oversight responsibilities include the military and police forces), were subsequently included in the Malian and Burkinabé national committees.

Several initial challenges faced the organizers of this regional initiative. What organization would have responsibility for leadership of the initiative at the national level? What would be the appropriate

<u>Leadership Versus Ownership at the Regional Level</u>

Leadership of the Action Plan initiative has proven to be a complex issue that has endured over time and, at various moments, resulted in controversy. Although sponsorship by *CILSS* and *CEBV* has never been questioned at the regional level, the ability of those organizations to support and remain engaged in substantive coordination of the initiative has been problematic. The root of this problem is found in the membership configuration of the two organizations. Only Burkina Faso and Mali are *CILSS* member- states, while only Côte d'Ivoire and

Burkina Faso are *CEBV* member-states.[13] Hence, neither organization could lay claim to a universal leadership role, although both could command political ownership of any positive contributions to be made by the initiative. Imbalances in organizational resources favored *CILSS*, which enjoyed considerable donor financial support, while *CEBV* continued to rely on member state budgetary contributions that were seriously in arrears, along with modest support of the French development assistance agency.

During the first year of Action Plan implementation this problem was overcome with simple goodwill and agreement in principle of the two organizations to cooperate with each other and the IPC technical team. Over time, however, the resource limitations of the *CEBV* were to prove intractable and *CEBV*'s substantive leadership waned over time, with increasing efforts to condition its participation on the support of donors.[14]

More complex was the role of *CINERGIE*, a donor-sponsored policy analysis and support unit based at the African Development Bank. *CINERGIE*'s mission was to serve as a catalyst for regional policy coordination and reform efforts, building operational linkages between technical experts in government ministries in the Sahel and coastal West African nations. Although *CINERGIE*'s mandate was broad, the Action Plan initiative was ideally-suited to its intended purpose. During the first and second years of Action Plan implementation, line items in *CINERGIE*'s budget allowed for explicit, substantive support of the Action Plan. However, with a small staff, a top-down "*dirigiste*" operating style, and mercurial leadership, *CINERGIE* sought only to intervene in a symbolic way, specifically when Action Plan implemenation called for the involvement of the executive branch of government.[15]

CINERGIE's contribution to Action Plan implementation was centered largely on its sponsorship of the prestigious August 1994 meeting in Abidjan of ministers from the Action Plan countries. The event was marked by controversy, stemming from the *CINERGIE* director's last-minute decision to withhold promised funding for the meeting, based ostensibly on a decision by the Ivoirian national coordinating committee to exclude certain actors from the proceeding. *CINERGIE*'s partisanship in this matter, its own overt efforts to exclude participation in the preliminary technical meetings and ministerial deliberations by *CILSS* and the Action Plan technical assistance team, and its championship of *CEBV* as the leader of the Action Plan initiative undermined its credibility and effectiveness as a neutral facilitator for regional initiatives.[16]

It was, hence, both by default and substantive engagement that leadership at the regional level accrued to *CILSS*, which assigned one of its senior technicians on a near full-time basis to coordination of the Action Plan initiative. This individual, a veterinarian by training, had been involved progressively as a liaison to the USAID and World Bank Missions, as an organizer for the series of activities leading up to the Nouakchott meeting and the drafting of the regional Action Plan, and, finally, as a counterpart to the senior IPC Action Plan coordinator. His participation in the evolving

13 CILSS member states include Senegal, Mali, Mauritania, Guinea Bissau, Cape Verde, Burkina Faso, Niger and Chad. CEBV member states include Côte d'Ivoire, Burkina Faso, Togo, Benin and Niger.

14 In December 1994 the CEBV attempted to reassert its leadership role through sponsorship of a regional conference of chambers of conference and private sector actors in the livestock trade. However, the conference failed to propose any concrete initiatives or conclusive findings. The chambers of conference had, heretofore, played only a minor role in the regional livestock trade and their participation in the conference was viewed by private traders as a political imposition. Furthermore, the exclusion of representatives of CILSS, the national coordinating committees and the Action Plan technical assistance team in the planning and execution of the conference undercut the credibility of CEBV's leadership in the Central Corridor.

15 *Dirigism* refers to the political ethos prevailed in most nations of French-speaking Africa after independence. *Dirigist* regimes exercised strict controls over both the economy and the institutions of governance. The bureaucratic style of *dirigist* regimes was characterized by centralized, often personalistic, management, an approach which sometimes remains as a vestige of the past even in recently liberalized environments.

16 CINERGIE was dissolved in December 1994.

process provided him with a unique perspective on both the technical problems that the Action Plan sought to resolve and the institutional complexities of dealing with a multilateral initiative involving both public and private sector actors, regional organizations and donor agencies.

Enlightened and committed leadership by *CILSS* has been crucial to the success of the Action Plan. At the same time, however, issues of ownership of Action Plan accomplishments have occasionally disrupted the flow of implementation and contributed to factionalism among participants. It is important to note, however, that to the extent that the issue of leadership for the Action Plan could not be avoided at various junctures, all decisions followed from the principle of inclusion, itself an outgrowth of the stakeholder analysis that informed the initial USAID and World Bank research. *Political wisdom dictated that the quantity of participation or leadership in the initiative (whether in the form of dedicated resources or strategic contributions at various moments in time) was far less important than the fact of participation and any symbolic value that might accrue to it.* Hence, CEBV and CINERGIE remained nominal leaders in all Action Plan activities and events, even where their contributions were minimal. This constituted less a misrepresentation of facts than an acknowledgment of solidarity among institutional allies in a synthetic and evolving political process.

Following the January 1994 devaluation of the CFA franc the *Union Economique et Monétaire Ouest-africain (UEMOA)* emerged as a new umbrella for regional initiatives throughout West Africa. Although its internal technical resources were somewhat limited, it lobbied aggressively for titular ownership of such activities as the livestock action plan. However by 1995 CILSS, with donor support, had begun to establish its own new institutional mechanism for coordinating regional policy initiatives: *Project de Fluidification des Echanges et de Rapprochement des Politiques Agro-alimentaires* (FERAP).[17] While rivalries over the institutional sponsorship of the initiative became the subject of public debate, CILSS was able to exercise continued leadership on the basis of its ongoing program of support to the action plan.

The inauguration of the FERAP Project in January 1996 was met with considerable anticipation among the national committees participating in the Action Plan. However, the new personnel charged with implementation of FERAP began their tenure by challenging many of the operational principles of the Action Plan itself. Rather than organizing their activities around the principle that the initiative is an effort to mobilize stakeholders for the purpose of coordinating efforts to reduce barriers to trade, FERAP organizers adopted a more formalistic approach that focuses on institutionalizing the process of reform, promoting action on the basis of formal accords and instruments, and expanding participation in the Action Plan to all CILSS-member and client states. This approach assumed that the national coordinating committees in the three initial Action Plan countries had attained a sufficient degree of institutionalized cooperation to allow them to move forward without technical coordination by CILSS or any other regional organization. Hence, during the first year of FERAP activities, a number of high-profile reporting functions lapsed with regard to the publication of weekly livestock market information and the periodic circulation of information on policies strategy and implementation. It remains to be seen whether national coordinating committees will step in to fill these gaps.

Hierarchy and Participation at the National Level

The character and quality of participation of government representatives on national coordinating committees was a source of initial concern for the IPC technical assistance team. The focus of concern was that in the hierarchy of individual government bureaucracies, the representatives assigned to the committees might be neither policy-makers nor of sufficiently senior status to influence policy-makers. This concern was motivated by the fact that any given reform process may be effectively stalled by: (a) assigning technical personnel with limited command or managerial authority to pre-reform deliberations, and (b) restricting participation in deliberations to official actors having narrowly circumscribed technical or political authority.

The representatives of government agencies assigned to national committees was mixed. The nominal leader of each national committee was a representative of that government ministry charged with livestock production and health. These

17 Project for the Lubrication of Regional Trade and Rapprochement of Agro-food Policy.

individuals, regardless of their hierarchical provenance, were all trained veterinarians having varying levels of expertise on livestock marketing and representing different levels of government hierarchy. In Mali, the chairman of the national committee was the administrative head of the national livestock marketing information agency, while in Côte d'Ivoire the chairman was five steps removed from the Agriculture minister, and charged with vaguely delimited project development responsibilities. In Burkina Faso the chairman was assigned to the committee on an ad hoc basis, with no other responsibilities and only limited opportunities for informing the policy-making process.

A seeming bureaucratic accident, however, elevated each of these individuals to a position whereby they acquired increased nominal authority. To operate legitimately, each national committee required "*agrément*," or authority-by-decree, to operate. Although never high on any government's list of priorities, each committee over time has been granted official status as an instrument to inform the policy-making process, in keeping with regional solidarity. Armed with that authority, national committees in Mali and Burkina Faso have pursued their mandates energetically as innovative channels for an otherwise hierarchically-driven system.[18]

IPC technical assistance has been valuable to the national committees by helping them to frame and draft their findings and decisions in a textual form that is useful to policy-makers. The transaction-based model of analysis, stakeholder analysis and action-based planning have provided the committees and their leadership with tools that are convenient, practical and objective-oriented, demonstrating obvious utility to policy-makers. The means by which these techniques of analysis and policy-formulation have been transferred to the national committees have been direct. With common agreement on an action plan format for all committee findings, the IPC technical assistance team has focused on working with committee members to develop policy-oriented position papers for a ministerial audience, based upon ideologically neutral analysis of the efficiency of transactions. The bottom-line indicator in each case has been the degree to which an existing or proposed policy or transaction contributes to or detracts from the efficiency of benefits accruing to the national economy.

<u>What Role for Which Private Sector</u>?

The ad hoc basis of early Action Plan activity was nowhere more evident than in the selection of which private sector representatives were included in national committees. Over the long term this has proven to be a persistent source of controversy in each of the Action Plan countries. Stakeholder analysis clearly revealed which were the key private interests involved in the livestock trade in each of the Action Plan countries. Where they existed, non-governmental organizations of livestock producers, traders, transporters and butchers were rapidly identified and invited to participate in committee deliberations. In several cases, however, factionalism within or questions regarding the legitimacy of professional groups emerged rapidly and became issues of contention, leading to organizational realignments of professional groups and, in Côte d'Ivoire, the creation of a national federation of livestock professionals that included traders, transporters and butchers.

The greatest controversy involved the *sociétés de convoyage*,[19] private companies are essentially brokers and intermediaries who act on behalf of livestock traders to minimize the costs of bribes and extortion by uniformed security agents in Burkina Faso and Côte d'Ivoire. The first of these, the *Coopérative Centrale d'Importation et de Distribution de Bétail de Côte d'Ivoire* (CCIDB-CI)12[20] was founded in 1986 with the shadow participation of several senior government officials.[21] Principals of the company were able to

18 The situation in Côte d'Ivoire has been more politically complex and is discussed in the following section of this study.

19 These "Conveyence Companies" emerged from highly- localized conditions. Hence, it is difficult to identify a homologous institution in non-African settings.

20 The Central Cooperative for the Importation and Distribution of Livestock in Côte d'Ivoire.

21 The role of government "shadow" partnerships is crucial to the functioning of the *sociétés de convoyage.* Senior government officials in positions of authority over relevant security and control services guarantee enforcement of a ceiling on bribes paid to their agents and,

negotiate a fixed rate of 1,000 CFA francs to be paid by its agents to customs, veterinary, and forestry agents at control points on all major roads in Côte d'Ivoire. These arrangements eventually were extended to include the police, gendarmerie, and army in late 1990. The marketable promise to minimize transaction costs for road transportation of livestock allowed CCIDB to establish itself at northern border crossings, where agents accompanying shipments charged a fee of 60,000 CFA francs for the journey to Abidjan. So successful was this effort that numerous competitors have emerged since. The outcome of competition has been to drive down expediter tariffs to 35,000 CFA francs per truck. Over the course of a single year, net corruption costs for livestock transporters using this service in Côte d'Ivoire were cut by between half or a third per head of cattle. Based upon this success, similar organizations began to spread to Burkina Faso in 1993, where three *sociétés de convoyage* now operate in partnerships with the Ivoirian companies.

The *sociétés de convoyage* have succeeded by attending to the economic realities of rent-seeking. While excessive rent-seeking by uniformed agents is curbed, agents are nonetheless able to extract bribes to expedite livestock shipments at control points on the roadways. Hence, both sanctions and incentives exist to stimulate their cooperation. Although it is difficult to endorse the *sociétés de convoyage* from a rule-of-law perspective, in the absence of other effective controls on pervasive rent-seeking, they remain a competitive and viable service for promoting greater economic efficiency in the livestock trade. They are a quintessential example of Klitgaard's "optimal level of corruption."[22] For this reason, however, their participation in the Ivoirian and Burkinabé national coordinating committees has attracted unrelenting criticism by government officials (most notably representatives of those services who are not beneficiaries of *société* payments) and some private sector representatives.

Other controversy has arisen as professional organizations have undergone their own internal turmoil. The accomplishment of one Action Plan effort--suppression of a quasi-legal border levy by the Ivoirian transporters syndicate in 1992--had far-reaching effects. This action effectively broke the hold of the monolithic syndicate and led to the emergence of four rival syndicates, two of which actively lobbied to become the sole representative of the transport industry on the national coordinating committee. In 1994 representatives of several transport syndicates in Côte d'Ivoire sought to oust the head of the national livestock traders syndicate from the national coordination committee. Their campaign was based on his activism in suppressing the transport syndicate levy, his participation in a *sociétés de convoyage*, and his failed effort to enforce sole-source insurance sales for livestock transported across the Ivoirian border. Their efforts failed, however, because of an inability to build credible opposition outside the transport sector. This experience proved instructive to the political actors involved, leading in December 1994 to the creation of a national confederation of livestock professionals whose seat on the national coordinating committee is practically assured.

Still other conflicts have been related to charges that the representative of the butchers' union in Côte d'Ivoire was actively involved in trading dumped beef from the European community, compromising his integrity in an activity aimed at increasing the competitiveness of African versus European meat.

Private sector rivalries in Burkina Faso have led to wider representation on the national coordinating committee. This occurred as the result of a campaign by the committee to develop a national directory of livestock professionals. In the course of collecting information in rural areas, the national committee's profile was heightened, leading professional groups to call for immediate national elections to the committee. In July 1994 an assembly of livestock professionals (including butchers, traders and transporters) met in Ouagadougou, the nation's capital, and elected an expended leadership roster which was geographically and politically more diverse than its predecessor.

<u>Organizational Norms and Rules of Engagement</u>

Operational guidelines for each of the national coordinating committees were implicit in the governmental decrees by which they were established. The single constant in each was the principle of inclusion of relevant government agencies and representatives of private sector

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in turn, receive a percentage of the profits earned by the *sociétés*.

22 See Klitgaard (1988). pp 26-27.

entrepreneurs who play a critical role in the conduct of the livestock trade. Although each of the committees is officially endowed with deliberative authority, the *modus operandi* of each has developed on an *ad hoc* basis. In the absence of explicit directives and granted nebulous authority, each of the committees has fallen back upon organizational norms and procedures derived from traditional, rather than formal, African political culture.

An underlying principle in committee deliberations has been that participation in the national committee follows from legitimate interest in the conduct of the livestock trade. If a group plays a role in commerce, it merits a seat at the committee table, whether as a principal in commerce, a regulatory agency, a service provider or, most controversial of all, as a rent-seeker with entrenched interests.

A second principle, never formally articulated, has evolved over time. While all internal criticisms and questioning of the degree to which each represented group benefits is legitimate, public denunciation of individuals in formal settings is deemed unacceptable. This follows from recognition that denunciation invites exit from a process in which consensus-building is the objective.

A third principle, which evolved from committee deliberations, is that negotiation among stakeholders must precede any effort to codify official decisions. This practice represents a critical departure from the statist, decree-driven past wherein behaviors were expected to align with official norms. Members of the national committees recognized early on that the effectiveness of their decision-making and contributions to the policy process were dependent upon reason, compromise and group solidarity around a common goal. As phrased in one recent deliberation where a professional group's high service charges came into question, "Everyone has a right to eat at this table, though none should gorge himself at the expense of all others." A corollary to this principle is that compromise is preferable to coercion. Moments of high drama have occasionally punctuated the deliberations of individual national committees or regional meetings. Nonetheless, national coordinating committee members are aware that the Action Plan initiative has given them a new and unprecedented opportunity to influence policy and, more importantly, to negotiate solutions among themselves that government agencies are poorly equipped to regulate.

The Role of Donors

The Action Plan countries, like others in the developing world, are imbued with a perspective of donor initiatives that is project-based. As such, each donor initiative has its own identifiable institutional base (usually a government ministry), its own resources and local labor pool, and a finite set of preplanned activities. The project is, in the traditional sense, an autonomous, self-contained entity. The IPC initiative, however, extends beyond a limited project focus, seeking to promote an implementation process that is flexible and responsive to changing circumstances. The Action Plan's structure has been ever-changing, involving an array of stakeholders and government officials that has evolved with the achievement of particular objectives and the emergence of new issues. Because the initiative's objectives focus on obtaining new efficiencies in commerce, the principal lens through which the initiative has tended to view the world has been that of the private trader or the consumer of livestock products, rather than that of governmental agencies or ministries.[23] National coordinating committees, the only institutional constant associated with the initiative, have seen members rotate in as their own interests were affected, or out as they became disillusioned with a process that seemed to hold no prospect of immediate access to significant donor funds.

Although the IPC intervention has employed local consultants and funded a small set of logistical support activities on an *ad hoc* basis, it has established no staff and provided no constant flow of budgeted resources for participants.[24] Instead, the initiative has presumed that participation would be motivated by the economic or political interests of stakeholders in the outcome of the initiative's reform agenda. Consequently, the initiative has followed from the principle of inclusiveness to accommodate the shifting universe of individual and constituent interests. The accomplishment of Action Plan

23 In this respect, the Livestock Action Plan bears a similarity to another IPC activity, the West African Enterprise Network.

24 Modest financial support for the national Action Plan coordinating committees was provided only beginning in June 1995, for the explicit purpose of improving communications between national committees.

objectives has, however, led to the emergence of factionalism within participant countries, governments and professional groups and a growing emphasis on national coordinating committees as fora for the negotiation and resolution of conflicts.

Tools and Techniques of the Action Plan Approach

Technical assistance to implementation of the Action Plan for Regional Integration of Livestock Trade has employed a variety of techniques and approaches relevant to the heterogeneous nature of the Action Plan objectives. The principal purpose of IPC assistance to this activity has been to work with stakeholder groups and national coordinating committees to: (a) identify the most valuable techniques for strategic pursuit of policy objectives; (b) develop the capacity of those groups to employ a range of analytical and organizational tools appropriate to their respective missions; and (c) facilitate communication among groups in each of the Action Plan countries for the purpose of coordinating their activities and sharing lessons learned about the value of particular strategic management tools and approaches. For the purpose of illustration, the following discussion focuses on particular accomplishments or crises of Action Plan implementation, and on the strategic management tools or techniques brought to bear on them.

Action Planning

Although the concept of implementation planning was familiar to local bureaucrats in Burkina Faso, Côte d'Ivoire, and Mali, early stages of IPC technical assistance focused on helping local counterparts to introduce greater degrees of precision and delegation of responsibilities than was common practice and added a new tool to the repertoire of participants: strategy-building. The initial World Bank/USAID Action Plan was drafted principally for an audience of donors and outlined policy options that might be adopted by the three target countries. In a series of scenarios, the plan defined the likely outcome of policy and administrative reforms and estimated their costs or benefits over the medium-term. Based on these scenarios, the Action Plan proposed what would be necessary to achieve scenario targets and identified the role that particular government agencies, private sector groups and donors could play in implementation.

The Action Plan did not, however, focus on the process that would have to be put in place to create consensus on policy goals and provoke action by stakeholders. Adoption of the plan at the Nouakchott meeting and further elaboration of its policy objectives helped to make up for at least one of the deficiencies of the original document: the absence of a coordination mechanism for an ambitious and heterogeneous series of actions that would occur across a broad field of agencies and institutions.

The national coordinating committees called for by the Action Plan were established within several months after Nouakchott. However, it quickly became apparent that the committees were ill prepared to move forward effectively. In December 1992, representatives of the national committees convened in Bamako, Mali to take the next steps toward implementation. The Bamako meeting was characterized by an inability or unwillingness of individual local actors to assume responsibility for concrete actions and a lack of clarity about how to proceed. Meeting participants voted on a series of ineffective and retrograde measures, including a call for further studies to be carried out by donors and regional organizations. Without technical assistance to build capacity to develop individual action plans, the committees risked delays and, ultimately, failure.

Nonetheless, the Bamako delegates had glimpses of the possibility of success. One source of inspiration came from Côte d'Ivoire, where several private sector groups successfully lobbied the Prime Minister for suppression of quasi-legal border levies exacted by the monolithic Transporters Syndicate and the National Traders' Syndicate. Announcement of the physical removal of syndicate barriers and a public reading of the Prime Minister's decree that put an end to the levies was a moment of high drama in an otherwise discouraging setting. Earlier in the meeting efforts to tackle the problem of extortion on the roadways were deemed "utopian" and "hopeless" by several participants. Most important of all, this accomplishment put government representatives on notice that private stakeholders were prepared and able to defend their interests in public fora.

The IPC technical assistance coordinator and his African counterpart decided at the conclusion of the meeting to embark on a six-month program to work intensively with each of the national committees to develop individual country action plans. They agreed that workshops on action planning methodology would not be received well by participants and would place too great a demand on them. It was decided, instead, that each committee would be asked to develop its own annual workplan, which would be refined with participation of the technical assistance team.

While each of the committees subsequently demonstrated a clear sense of mission and an ability to establish priorities, the action plans they developed tended toward risk aversion. Typically the work plans called upon government agencies to enact change by fiat, bypassing operational or regulatory changes that could be made by committee representatives within their own agencies.

The technical assistance team recognized that developing a sense of empowerment within the committees should be an important short-term goal and worked closely to help committees and their members to evaluate and build upon their own capacity for action. A useful tool for accomplishing this end was: (a) compression of the action plans into a series of individually relevant objectives and actions, and (b) coordinating complementary actions as a means of building critical forward movement that lessened political risk for individual actors. Demonstrable success was crucial in overcoming skepticism within the national committees regarding their own limited authority and power to effect change. Over time, as minor accomplishments came together toward the accomplishment of key objectives, the national committees have developed a sense of empowerment and confidence that their mission is, indeed, a realistic one.

Developing Capacity for Policy Analysis

The earliest successes of the Action Plan were all testaments to the power of well-crafted policy analysis, albeit in different institutional contexts. By mid-1993 the following had been accomplished:

- Suppression of the *Conseil Burkinabé de Chargeurs* tax and the *Office National de Commerce* (ONAC) tax in Burkina Faso, negotiated within the context of a World Bank structural adjustment program;[25]
- Harmonization of business license (*patente*) schedules in all provinces of Burkina Faso;
- Reduction in the number of road barriers and control posts in Côte d'Ivoire and Burkina Faso;
- Suppression of the *Syndicat des Transporteurs* and the *Syndicat National des Commercants* quasi-official levies in Côte d'Ivoire.
- Progressive suppression on various of the complex export procedures required by the Malian government, and institution of a *Guichet Unique*, or "One-Stop" window for the completion of all administrative procedures.

In each case, policy analysis conducted for the earlier USAID and World Bank studies that demonstrated the detrimental effects of existing policies was presented to government officials, either within the context of negotiations on broad reform packages or as part of a lobbying effort by stakeholders. Aside from the accomplishment of policy reform aims, these early successes had the more critical effect of demonstrating to stakeholder groups and national committees that rational and clearly-argued economic policy positions could affect the policy-making process.

On subsequent occasions, principally during annual technical meetings on Action Plan progress and in anticipation of meetings of government ministers from the Action Plan countries, national committees worked in concert with the IPC technical assistance team to craft position papers that cover both policy rationale and strategies for managing political risk during implementation of the policies called for by the Action Plan.

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25 Decisions for the suppression of these levies were based on findings that the technical assistance team had made prior to the IPC Project intervention, and were negotiated within the context of the World Bank-funded Structural Adjustment Program for agriculture. However, as one of the earliest reforms to result from the Action Plan, this accomplishment served as a valuable illustration of how policy analysis could be used as an instrument for change.

During the first year that these taxes were suppressed, the Burkina Faso government enacted a countervailing measure that raised the Statistical Tax on livestock exports by a like amount. This was, however, a temporary measure and, after twelve months, the Statistical Tax was itself suppressed.

The drafting of policy papers was, whether in the national setting or at regional meetings, the result of a deliberative process that included both government and private sector representatives. Although the IPC technical team had often sought to encourage the drafting of "stand alone" policy papers which could be circulated widely in the appropriate political institutions, host-country counterparts believed that the effectiveness of such documents would be enhanced if they were assembled to simultaneously address complementary issues affecting the efficiency of regional trade, and for the purpose of presentation at formal meetings of Action Plan participants. They argued that this approach would demonstrate that there was broad consensus on policy recommendations, thereby facilitating executive action on a variety of measures relating to a common goal.

Lobbying and Constituency Development

The most dynamic players in the Action Plan initiative have been the representatives of private stakeholder groups who stand to gain the most from accomplishment of Action Plan objectives. The increasingly liberal political environment in the Action Plan countries has afforded the private sector new opportunities for activism; at the same time, however, private sector activism remains the object of suspicion within the more conservative community of government bureaucrats. Distrust of the private sector has been endemic throughout West Africa for much of the period since independence and, even in the best of circumstances, any public-private alliance is often a tenuous one at best.

IPC technical assistance to stakeholder groups has sought to maximize equity and inclusion. The interests of private livestock traders, transporters and butchers and their contributions to national economies are the foundation on which implementation of the Action Plan is built. While opportunism by professional groups has at times threatened the integrity of the Action Plan process, the opportunity to play a central role in the initiative has also prevented "end-runs" around the work of national committees. Activities to assist these groups to develop a capacity for lobbying and constituency-building have focused on creating opportunities where their concerns can be heard; helping them to present their arguments in terms that are understandable and acceptable to policy-makers; assisting them to present strategies for reform implementation that take into consideration the needs of political leaders to manage risk; and helping them to prepare for policy negotiations by developing compromise and fallback positions.

A persistent danger to the work of the national coordinating committees has been the emerging perception that the committees are somehow exclusive or privileged groups. The charge that committee membership is not broadly representative of private sector interests has arisen during periods when internal conflicts within particular syndicates, non-governmental organizations and professional groups had emerged. The democratic process that governs the workings of the national committees has evolved over time, through internal challenges to the legitimacy of actions undertaken by individuals or professional groups and through external appeals to broaden the representative composition of the national committees.

IPC technical assistance has tried to resolve these problems by working with national committees to adjust their workplans to focus strategically on the commonalities, rather than the differences, of interest of these groups, seeking to build solidarity on those points where there is a sense of common purpose. In certain instances, however, the technical assistance team has had to withdraw from the deliberative process in order to avoid any appearance of partisanship, or withhold support from counterparts who sought to exploit their role on the committees for personal ends.[26]

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26 Examples included a Burkinabé committee member who owned a *société de convoyage*, and one of the driving forces behind the Action Plan initiative. Faced with allegations that his business was a front for corrupt officials, he appealed for official support under the written imprint of the national coordinating committee. He was censured by fellow committee members and, shortly afterward, was defeated in an election to the committee executive. A similar, more serious, case arose in Côte d'Ivoire. One of the founding private sector members of the Ivoirian committee--also the founder of a *société de convoyage*--has been an outspoken activist against government corruption and demonstrated that he is a gifted organizer of private sector interests. On several occasions he has been at the center of controversy, first as a result of a scheme to require traders to purchase sole-source insurance for their livestock shipments when they entered the country and, second, in his efforts to convince the government to establish a regulated border market at which all livestock entering the country would be required

Developing Strategies for
Consolidation of Results

Upon close examination, the Action Plan initiative is built on a rather fragile base of institutional commitment. As the principal organs of engagement, the national coordinating committees have relied principally on the goodwill of their members. Whereas private stakeholders are motivated by the opportunity to improve their entrepreneurial wellbeing, government representatives to the committees receive no additional compensation for their committee work and carry the risk of overextending their mandates within the bureaucracy. For this reason, technical assistance and the work of the committees has focused extensively on "ratcheting up" the engagement of more senior government officials in the Action Plan initiative.

The August 1994 meeting of ministerial representatives of the Action Plan countries in Abidjan, Côte d'Ivoire illustrates this focus. An earlier attempt to hold such a meeting was aborted in December 1993, due to conflicts over sponsorship of the meeting among regional organizations. This delay was fortuitous, allowing the national committees to add to the critical mass of their accomplishments and provide the ministers with an agenda of substantive issues worthy of their attention.

The strategy developed for the ministerial meeting focused on: (a) obtaining the ministers' endorsement of the next year's schedule of Action Plan initiatives; (b) obtaining public political endorsement of accomplishments to date; and (c) obtaining the ministers' approval for a somewhat expanded mandate of activities aimed at reinforcing the Action Plan process. Beginning in May 1994, the IPC technical assistance coordinator worked with national committees to develop progress reports, position papers and an agenda for the ministerial meeting. A meeting of sixty representatives of national committees, regional organizations and donor agencies was held in Ouagadougou in May 1994 to develop a strategy that would engage Action Plan governments at the ministerial level. A follow-up technical preparation meeting was held several days prior to the ministerial meeting to finalize the meeting agenda and ensure that key issues received the ministers' attention.

Several features of the May meeting suggested that the national committees had matured, both in terms of their ability to work as individual elements of a larger process and in terms of their mastery of strategic management techniques. First, delegations were, by and large, well-prepared and represented a diversity of viewpoints regarding prioritization of issues to be presented to the meeting of ministers. While some acrimony was evident as a result of professional rivalries (transporters versus "*de convoyage*" and conflicts among rival transport syndicates), the attendees were able to reach consensus on logical next steps for regional action. These included expansion of lobbying activities to place greater emphasis on lowering cost barriers in transportation; the need to broaden the existing market information network to include up-to-date data on transport cost and availability; and the need to begin working more closely with private banking officials to reduce cost and operational barriers to cross-border capital movement. Second, composition of the various country delegations was broader than in past meetings, building in a higher profile and greater representation from emerging constituencies and target groups,e.g. bankers, transporters and transportation-related professionals.

Although the preparations for the ministerial meeting were marred by squabbling among regional organizations over sponsorship and participation, it was to the credit of the national committees that the ministerial deliberations resulted in a renewed and deepened commitment to the Action Plan process and in a rational expansion of the Action Plan mandate to accommodate emerging problems and opportunities (including gradual expansion of the initiative into two new countries--Ghana and Togo[27]). More important to the integrity of the process, the ministers agreed to meet one year later in Mali to evaluate further progress of the initiative and to determine ways in which their respective governments could further advance the initiative.

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to be sold. Simultaneously, he sought to negotiate a management contract for that contract with government authorities.

27 The decision to include Ghana in the Action Plan was driven by the devaluation of the CFA Franc, which in one fell swoop again made Sahelian livestock competitive in Ghanaian markets.

Negotiation, Mediation and Coordination

A signal event--devaluation of the CFA franc--in January 1994 provided a demonstration of both the emerging competence of the national coordinating committees and an opportunity for the IPC technical assistance team to assist the committees in playing a strategic role in regional affairs. Long-anticipated, the CFA devaluation underlined the importance of reducing barriers to efficiency in sub-regional trade. The immediate economic effects of devaluation included a drying up of dumped EC beef in coastal markets, which increased demand for Sahelian beef; and a major rise in the costs of transport for Sahelian livestock shipped to the coast, which led Sahelian exporters to hold livestock off the market because of fears that increased transport costs could not be recaptured at market. The resulting shortage of meat in coastal markets led each of the Action Plan countries to undertake actions which benefitted from or directly impacted upon the implementation of the Action Plan.

In Mali, in the interest of lowering costs of livestock exports, the National Directorate of Economic Affairs (DNAE) recommended and obtained presidential approval to immediately rescind the requirement that exporters pay an annual *patente* levy. The desirability of this action had already been discussed at length with the DNAE by IPC consultants, members of the national coordinating committee and senior officials of the National Directorate of Livestock (DNE) of the Ministry of Rural Development. DNAE had undertaken its own independent assessment of how rescission of the *patente* might affect government revenues. Implementation of the decision was delayed, however, by the National Assembly, which expressed concern over the erosion of government revenues. Meanwhile, in Burkina Faso, in keeping with its commitment of a year earlier, the government suppressed the livestock Statistical Tax. This tax was a remnant of a former export regime and had been increased in January 1993 to counteract the effects of suppressing two other levies.

In response to shortages of meat in coastal markets, Ivoirian authorities rescinded the ban on all trekking of livestock through the Côte d'Ivoire (which had been scheduled to go into effect in January). The government also decided to convene a national commission on coping with the effects of devaluation. An IPC counterpart, the President of the Association of Livestock Traders-- was selected to preside over the subcommittee on meat and meat products. (Only one year earlier the Association was not yet formally recognized and the IPC technical coordinator was working to include the Association in formal dialogue with the government on relevant issues).

The aftermath of devaluation also created a need for Action Plan participants to defuse a volatile issue that threatened any sense of solidarity among the participant nations. Following the devaluation, member countries of the *Communauté Economique de l'Ouest Afrique* (West African Economic Community, or CEAO) decided to dissolve that organization and to integrate its functions with those of the newly-established *Union Economique et Monétaire Ouest-africain* (West African Economic and Monetary Union, or UEMOA). While this decision was viewed positively by most observers in and out of the region, the critical interim period between the June shut-down of the CEAO and the August first commencement date for the UEMOA charter to come into effect provided a window of opportunity for anti-regionalists in several of the member-state governments. Beginning in June, the Burkina Faso government unilaterally declared that trade accords prohibiting discrimination against regional products that were signed in the context of the CEAO were no longer valid. The government immediately begin imposing new taxes and duties on products imported from other states in the region. This in turn triggered the imposition of countervailing duties in Côte d'Ivoire.

The seeming anarchy resulting from this state of affairs (including a failure to transmit information on the new duties to enforcement and collection agents) led to arbitrary enforcement of the new duties, with taxes on livestock imported into Côte d'Ivoire ranging between 4,000-10,000 CFA Francs. At the same time, Ivoirian customs brokers took advantage of the confusion to induce Ivoirian customs officials to begin requiring foreign traders to pay a mandatory 25,000 CFA Franc fee for customs clearance.

National coordinating committees responded to this situation in several ways. Members of the Ivoirian coordination committee met with senior customs officials in July and obtained two key concessions: (a) the requirement that livestock traders use the services of customs brokers was dropped, effective immediately, and (b) fixed duty rates were negotiated, establishing duties for cattle at 1,700

CFA/head and for small ruminants at 565 CFA/head. At the same time, lobbying by national committee members ensured that the agenda for the August ministerial meeting would focus on suppression or reduction of new taxes, justified by the August 1st effective date of the UEMOA trade agreements. Finally, at the August 1 meeting of ministers of the Action Plan countries, the decision was made to suppress all opportunistic levies that had followed from the demise of the CEAO.

Lessons Learned

Implementation of the Action Plan is ongoing, thus definitive conclusions regarding results and outcomes are premature. The greatest questions, of course, are how lasting the effects of technical assistance will be. Will the Action Plan process serve as a model for other initiatives? Will the achievements of the Action Plan be sustained beyond the horizon of technical assistance?

While the answers to these questions remain to be seen, a number of lessons learned in the course of Action Plan implementation can be identified at the present time.

- **The need to maintain focus on a limited set of objectives**

The original goal of the Action Plan--to enact a series of measures which would liberalize cross border trade and introduce new efficiencies to its conduct--called for a heterogeneous mix of policy and operational reforms that involved a wide variety of economic and political actors. However focused on a common goal the reform measures may have been, the broad field of participation that they required created numerous opportunities and temptations for the expansion or political manipulation of the Action Plan agenda. For example, efforts have been made to use national coordinating committees to promote donor investment in an expensive new slaughterhouse to serve the city of Abidjan and to establish a regional school to train butchers in modern methods.

Pressure has also been maintained to expand the Action Plan to mandate government intervention to increase the availability of short-term, low-interest credit to livestock traders. A response to this issue is found in the Action Plan as it was originally adopted, indicating the need for actions to reduce the high proportion of unpaid credits provided by livestock traders to buyers in terminal markets. IPC advisors and representative of banks in the region have repeatedly argued that this situation results from the failure of livestock professionals to regulate the conduct of their business and failure of government to provide impartial institutional mechanisms to arbitrate commercial disputes. Absent such housecleaning at the national level, it will be difficult to stimulate support for the livestock sector in the regional banking community.

- **The need to align commitment with reasonable timetables for implementation**

Reform by fiat in West Africa and elsewhere has often produced only limited results, often because the objective of change was not supported by the complement of resources necessary for effective implementation over time. It is to the credit of private stakeholders, national governments, regional organizations and donors that commitment to the Action Plan objectives has been sustained over time through political and material commitment.

An initial key to understanding commitment at the national and regional level has been widespread recognition of the pivotal importance of livestock trade to the regional economy. Changing circumstances, evidenced in the instability of regional terms of trade, environmental instability, inevitable changes in monetary policy, and the rapid growth of the populations of each Action Plan country have been a powerful counterweight to the proponents of denial. The weight of livestock as an element of the gross domestic product in the Sahel, and political sensitivities to meeting demand for livestock in the region's cities have attached have lent greater importance to economic efficiency than ever before.

A key to the success of Action Plan technical assistance has been the degree to which donors have demonstrated commitment to an evolving process. As noted earlier, the Action Plan evolved from what was initially a study of constraints to livestock commerce. On the basis of the recommendations made in that study, USAID and the World Bank extended their support to translate policy recommendations into a course of action which they, in concert with three governments, could support within the framework of their institutional mandates. Over time, other donors have integrated various elements of the Action Plan into their own national programs or, in the case of AID in Mali, provided complementary technical assistance to achieve Action Plan objectives.[28]

In turn, donor commitment to a process approach has allowed the IPC team the time required to apply the strategic management process methodology in a way that builds ownership for and commitment to reform within the host country. *Successful reform requires the strategic development of political commitment, the development of skills among those charged with reform implementation, and strategies for managing risk in the uncertain reform environment.* IPC technical assistance has sought to gradually expand the strategic management capacities of reformers as implementation evolves.

- **The value of inclusion as a tool for the design and implementation of reforms**

The Action Plan's implementation process has profited from political evolution in each of the participating countries. Renewed commitment to democratic processes contrasts strongly with the exclusionary political culture that long-characterized the three nations involved, where the policy arena was restricted to a small circle of elites. Stakeholder analysis has proven an invaluable tool for reform implementation not simply for the analytic content it provides. More importantly, its application offers an opportunity to develop a process of dialogue, negotiation and identification of a common purpose. The successes of the Action Plan initiative have been based principally upon recognition that those who stand to gain or lose the most from reform not only deserve a place in planning for reform implementation, but that they can make valuable contributions in the crafting of the strategies and compromises that lead to successful reform efforts. This lesson offers an alternative to the view that implementation can best be pursued by finding ways to marginalize policy losers.

If the process of inclusion has served to foster the legitimacy of dialogue as a policy-development tool, it has also served to enhance the credibility of national delegations at international fora. Positions derived from informed consensus tend to enjoy greater credibility at the international level, where the ability to make credible political commitments is crucial to the negotiating process. As important, the inclusion of stakeholders in the deliberative process provides negotiators with a means of exacting formal commitment to abide by decisions that they reach.

- **The need to anticipate contingencies**

Whether in the industrial economies or in the developing world, the reform process is fraught with

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28 USAID Mali's Animal Productivity and Export Project has supported grass-roots level advocacy for greater efficiency in livestock trade and mounted a variety of effective national information campaigns to educate the public on its rights and obligations in livestock marketing. Both the French and Canadian development agencies have also played an active role in supporting the Action Plan. French assistance has focused on improving the capacity of the *CEBV* to broker agreement on policy and policy objectives among its member states, while Canadian assistance in Burkina Faso and Côte d'Ivoire is focusing on constituency development among private stakeholders.

uncertainty and risks. Even when based upon state-of-the-art technical analysis, implementing reform is challenging by virtue of its unpredictability. For example, reforms will often engender countermeasures, aimed at recovering lost revenue or privileges; it is impossible to anticipate all of these in advance. Thus policy monitoring, contingency planning, and flexible response capacity are required.

The success of reform initiatives depends critically upon the skills and political instincts of those who manage the process. Technical assistance can improve upon the innate ability of individual leaders to anticipate outcomes or, absent such ability, provide mechanisms that give policymaker's access to a more comprehensive diversity of views upon which to make policy decisions. IPC's experience with supporting the Livestock Action Plan demonstrates that it is possible and desirable to expand the repertoire of analytical and management tools available to actors involved in policy implementation, both in the public and private sectors.

Emphasis upon the process for developing commitment to reform allows stakeholders not only to achieve policy objectives that serve their respective interests, but it also can provide institutional mechanisms for brokering consensus and arbitrating disputes that threaten the cohesiveness of implementation.

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